

BY APPOINTMENT
District Office

DISTRICT I
P.O. Box 1880, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Arriba Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL AN NO.	30-031-20608
5. Indicate Type of Lease	STATE <input type="checkbox"/> PER <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	HOSPAN sand unit
8. Well No.	95
9. Pool name or Wellset	HOSPAN UPPER sand

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	
2. Name of Operator	BCE & D OPERATING, Inc.
3. Address of Operator	P.O. Box 1680, Hobbs, NM 88241
4. Well Location	Unit Lower B : 2550 Feet From The East Line and 350 Feet From The North Line
Section 1 Township 17N Range 9W NE/4M McKittrick County	
10. Elevation (Show whether 10', 20', 30', 40', 50', 60', 70', 80', 90', 100')	6957' GA

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPER. <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER <input type="checkbox"/>	OTHER <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1101.

PLEASE SEE ATTACHMENT.

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DIST. 8

I hereby certify that the information above is true and correct to the best of my knowledge and belief.

OPERATOR Donnie Hill TITLE PRESIDENT DATE 7/5/03
TYPE OR PRINT NAME Donnie Hill TELEPHONE NO. 505-397-3972

(This space for State Use)

DEPUTY OIL & GAS INSPECTOR, DIST. 8 NOV 14 2003

APPROVED BY Chad TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

HOSPAH SAND UNIT # 9530-031-20608SEC. 1, T17N, R9WMCKINLEY, NM

THE SUBJECT WELL HAD A C-103 SUBMITTED IN JUNE 1992 BY AMERICAN EXPLORATION TO RECOMPLETE THE WELL FROM THE UPPER HOSPAH SAND TO THE LOWER HOSPAH SAND. THE UPPER PERFS. @ 1558'-1578' WERE CEMENTED WITH 100 SXS CLASS "B" CMT. THE LOWER SAND WAS THEN PERF. @ 1617'-1621' AND PLACED ON PRODUCTION TO PRODUCE 3 BOPD X 186 BWPD IN OCTOBER 1992 WHICH WAS UNECONOMICAL. AMERICAN SUBMITTED FORM C-105 INDICATING THE WORK BEING COMPLETE.

DUE TO THE LOWER HOSPAH SAND BEING UNECONOMICAL AMERICAN IMMEDIATELY CEMENTED THE LOWER PERFS @ 1617'-1621' WITH 100 SXS CLASS "B" CEMENT AND REPERFORATED THE UPPER HOSPAH SAND @ 1558' 1578' (ORIGINAL PERFS) AND ACIDIZED W/ 500 GALS 15% NEFE ACID, INSTALLED PRODUCTION EQUIPMENT AND PLACED ON PRODUCTION AS AN UPPER HOSPAH SAND COMPLETION. AMERICAN DID NOT SUBMIT THE FORMS TO PROPERLY INDICATE WHAT ZONE WAS BEING PRODUCED.

BC&D PURCHASED THE WELL IN MAY 1993 AND HAVE BEEN PRODUCING THE WELL FROM THE UPPER HOSPAH SAND AND REPORTING LIKE WISE. WE HAVE BEEN REPORTING PROPERLY BUT DUE TO THE LACK OF AMERICAN SUBMITTING THE PROPER PAPER WORK WE HAVE BEEN RECEIVING C-115 REPORTING ERRORS.

PLEASE SHARE WITH BC&D YOUR THOUGHTS AS HOW WE SHOULD CORRECT THIS PROBLEM WITH REPORTING. WE ARE PREPARED TO WORK WITH THE OCD TO GET THIS CORRECTED BUT NEED YOUR GUIDANCE.

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